TENTATIVE

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

ORDER NO. R5-2008-XXX
WASTE DISCHARGE REQUIREMENTS
FOR

RONALD AND BETTY LOGAN, NORTH CONTINENT LAND AND TIMBER COMPANY, INC., AND NEW ERA MINING CORP.
NEW ERA MINE

BUTTE COUNTY

The California Regional Water Quality Control Board, Central Valley Region, (hereafter Regional Water Board) finds that:

1. Ronald and Betty Logan, North Continent Land & Timber, Inc. (a Nevada Corporation) and New Era Mining Corp. (a Nevada Corporation), submitted a Report of Waste Discharge (ROWD) dated 7 February 2008 for the discharge of sediment laden wash water from the New Era Mine to settling ponds. The Discharger submitted supplemental information dated 10 March 2008 and Regional Water Board staff deemed the ROWD complete on 21 March 2007.

2. The real property which contains the New Era Mine is owned by Ronald and Betty Logan. The mine is operated by the North Continent Land & Timber, Inc. and the operating equipment is owned by the New Era Mining Corp. Ronald and Betty Logan, North Continent Land & Timber, Inc., and the New Era Mining Corp. are referred to collectively hereafter as Discharger.

3. The New Era Mine is at 4095 Dry Creek Road, Oroville, Butte County, and comprises Butte County Assessor's Parcel Number 041-080-27. The mine is approximately 13 miles east of the City of Oroville and 3 miles southeast of the community of Paradise in Section 1, T21N, R3E, MDB&M, as shown on Attachment A which is incorporated herein and made part of this Order by reference. The property is approximately 18 acres.

4. Ronald Logan obtained a Mining and Reclamation Permit (No. 81-135) for the New Era Mine from Butte County on May 20, 1982. The facility was regulated in the past by Waste Discharge Requirements Order No. 91-003 adopted by the Regional Water Board on 25 January 1991. At the request of the Ronald Logan, the Discharger at the time, Order No. 91-003 was rescinded on 25 September 1992 due to a cut back in operations.

5. Current mining activities at the New Era Mine are located at the base of a moderate (15 to 33 percent) slope situated on the west side of Dry Creek. Five acres containing a former residence, equipment storage, and parking area are on the east side of Dry

Creek. Five settling ponds have been constructed on the only flat area available immediately adjacent to and on the west side of Dry Creek. The stability of the pond levees was in question, and the ponds have been rebuilt to engineered standards to assure their integrity. The levee slopes facing the stream have been protected with jute matt and revegetated to reduce potential erosion.

6. The mining method is as follows: Topsoil and overburden are removed from the surface and stockpiled for use in later reclamation. The underlying placer gold ore deposits, comprised of cobbles, gravel, sand and fines from ancient stream deposits, are mined with an excavator or bulldozer and transported to the on-site processing plant. The material is fed into a washing/sorting plant that removes the larger rock and concentrates the gold bearing sands. The silt and clay sized material is transported by the wash water to the settling ponds. After settling out the fines, the water is recycled back into the washing/sorting plant. Makeup water, estimated to be a maximum of 50 gpm, is added as needed. The process uses only gravity and water to separate the gold bearing material from the waste rock. The resulting material consists of "black sands" that contain the gold and other heavy minerals. The black sand concentrate is transported off-site for refining.

   Waste material, comprised of the former stream deposits minus the black sands, are mixed back together and returned to the open pit excavation to allow for concurrent reclamation of the site. No chemicals additives are currently used the gold recovery circuit. No wash water is discharged from the settling ponds. Only stormwater, as allowed under the General Industrial Stormwater Permit, is discharged from the site. The total volume of material to be disturbed and reclaimed is approximately 1,440,000 cubic yards.

7. The Discharger has not proposed to use a flocculating agent in the process to aid in settling out the solids. However, because of the potential variability of the composition of the source material at the site, the Discharger may propose to use a flocculating agent if needed.

8. This Order requires a minimum of two feet of freeboard in each settling pond and they be operated to allow for the containment of the 100 year precipitation. Excess wash water may be land applied to gain the necessary capacity.

9. With the exception of the former residence, there is no discharge of domestic wastes from the mine. Workers are provided with portable toilets which are serviced regularly.

10. The Aboveground Petroleum Storage Act applies when a site has a single tank with a fuel capacity greater than 660 gallons or several tanks with a cumulative storage capacity of greater than 1,320 gallons of petroleum. Portable fuel storage tanks are not included. The Discharger reports that a single 500-gallon aboveground storage tank will be permanently located at the site so the Aboveground Petroleum Storage Act does not

apply.

11. The average annual precipitation at the site is calculated to be approximately 47 inches. The 24-hour 25-year storm event is 5.88 inches. Approximately 88% of the annual precipitation is received between November 1 and April 30 of each year.

12. The discharge is within the Upper Dry Creek Hydrologic Area (No. 521.10) as depicted on interagency hydrologic maps prepared by the Department of Water Resources (DWR) in August 1986. Surface water drainage is to Dry Creek which is tributary to Butte Creek and the Sacramento River. In the summer months, lower Dry Creek does not have adequate flow to reach Butte Creek.

13. The Regional Water Board adopted a *Water Quality Control Plan, Fourth Edition, for the Sacramento River Basin and the San Joaquin River Basin* (hereafter Basin Plan), which designates beneficial uses, establishes water quality objectives, and contains implementation plans and policies for protecting waters of the basin, including plans and policies adopted by the SWRCB and incorporated by reference into the Basin Plan. These requirements implement the Basin Plan.

14. The Basin Plan does not specifically designate beneficial uses of Dry Creek. Based on the "tributary rule," the beneficial uses cited in this Order are those listed for "Butte Creek below Chico".

15. The beneficial uses of Dry Creek by tributary rule from Butte Creek below Chico Creek are, agricultural supply; water contact recreation; non-contact water recreation; warm and cold freshwater habitat; migration of aquatic organisms; spawning, reproduction, and/or early development of fish; and wildlife habitat.

16. The beneficial uses of underlying groundwater are municipal and domestic supply, agricultural supply, industrial service supply, and industrial process supply.

17. State Water Resources Control Board Resolution No. 68-16, *Statement of Policy with Respect to Maintaining High Quality of Waters in California*, (hereafter Resolution 68-16) requires the Regional Water Board, in regulating the discharge of waste, to maintain high quality waters of the State until it is demonstrated that any change in quality will be consistent with the maximum benefit to the people of the State, will not unreasonably affect beneficial uses, and will not result in water quality less than that described in the Regional Water Board's policies (e.g., quality that exceeds water quality objectives).

18. The project is not expected to have an appreciable impact on total dissolved minerals or increase the electrical conductivity of the ground or surfaces waters of the site. While evaporation from the washing process will concentrate total dissolved solids, wash water is entrained with the processed sand and gravel taking the salt load with it. Typically, the placer deposits have low salt content and add little salt to the wash water.

Because the project is not expected to increase total dissolved minerals or increase the electrical conductivity of ground or surface waters at the site, a salinity evaluation and minimization plan is not required from the Discharger at this time.

19. Residences in the canyon near the mine depend on springs for their domestic water supply. According to a report by Paulsen Research & Development dated 11 May 1982 and submitted by the proponents of the mine to address these concerns, the springs generally originate from the base of the Tuscan Formation, the geologic strata immediately above the placer stream deposits of the New Era Formation and hydrologicaly "upgradient" of the settling ponds. Therefore, even in the unlikely event ground water quality were to be impacted by the mining operations, it could not affect the supply springs. In regards to concerns regarding potential impacts to the volume of water supplied by the springs, the report states the mine "can have no practical effect on the ground water flow down Morgan Ridge" towards the springs. The report concludes that "the operations of the Logan Mine will have no effect whatever upon springs south of the south line of the Logan Property in Dry Creek Canyon". The Logan Mine and the New Era Mine are the same entity.

    A second report by Hydrofocus Inc., dated 2 June 2008 and submitted by concerned residents in Dry Creek Canyon, concludes that "there may be a hydraulic effect of New Era mining operations on Dry Canyon springs" that would reduce the quantity of water issuing from the springs. The report recommends further study to define the hydrogeology in the area.

20. Based on information provided in the ROWD, wash water discharged to settling ponds should not contain pollutants that have a potential to cause groundwater degradation. Because water quality degradation is not expected to occur, "best practicable treatment or control" will not be needed, and groundwater monitoring wells will not be required.

21. Section 13267(b) of the California Water Code (CWC) states, in part, that "In conducting an investigation specified in subdivision (a), the Regional Water Board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging or who proposes to discharge within its region, or any citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste outside of its region that could affect the quality of waters of the state within its region shall furnish under penalty of perjury, technical or monitoring program reports which the Regional Water Board requires. The burden, including costs of these reports shall bear a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. In requiring those reports, the Regional Water Board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports." The reports required by Monitoring and Reporting Program No. R5-2008-XXXX are necessary to assure compliance with these waste discharge requirements. The

Discharger operates facilities that discharge wastes subject to this Order.

22. Federal Regulations for storm water discharges were promulgated by USEPA on 16 November 1990 (40 CFR Parts 122, 123, and 124) which require specific categories of facilities discharging storm water associated with industrial activity to obtain NPDES permits and to implement Best Available Technology Economically Achievable and Best Conventional Pollutant Control Technology to reduce or eliminate industrial storm water pollution.

23. The State Water Resources Control Board (SWRCB) adopted Order No. 97-03-DWQ *General Permit for Discharges of Storm Water Associated with Industrial Activities* (General Permit No. CAS000001), on 17 April 1997, specifying waste discharge requirements for discharge of storm water associated with industrial activities, excluding construction activities, and requiring submittal of a Notice of Intent (NOI) by industries to be covered by the permit. The Discharger has obtained coverage under Order No. 97-03-DWQ for this facility.

24. Butte County is the lead agency for the project under the California Environmental Quality Act (CEQA, Public Resources Code Section 21000, et. seq.). The County adopted a Negative Declaration for this project in accordance with CEQA in 1982. As a responsible agency, the Board is bound by the County's determination to adopt the Negative Declaration, unless (1) substantial changes are proposed in the project which will require major revisions of the Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Negative Declaration was adopted, shows new, more significant or more severe effects, additional mitigation measures are feasible, or new mitigation measures or alternatives are available. There is no new information regarding the project or the surrounding environmental conditions. No significant growth or development has occurred in the area. No new endangered species have been identified that could be affected by the mining operations. There is no new information about the discharge that could not have been known when the County adopted the Negative Declaration. A hydrology report dated 2 June, 2008 by Dr. Steve Deverel with Hydrofocus, Inc. concludes the mining operations *may* have an effect on domestic springs that provide water supply. On the other hand, a 1982 engineering report concluded the mine cannot have an impact on domestic springs. The County evaluated this issue when it adopted the Negative Declaration and found that the project might impact groundwater quantity. Even if the County had not considered this, the information in the 2008 hydrology report could have been provided when the County issued the Negative Declaration. A conclusion that

there *may* be impacts is not substantial evidence that the mine will have environmental impacts not discussed in the Negative Declaration. Regulation of water quantity is not within the Regional Water Board's jurisdiction and the discharges regulated by this Order will not affect water quantity.

On 5 August 2008, the County Board of Supervisors determined that no new CEQA document is necessary, the 1982 mining permit remains valid and current mining operations are in accordance with the 1982 Negative Declaration. The Board of Supervisors passed Resolution No. 08-104 confirming these determinations. The Regional Water Board has reviewed the Negative Declaration and other project documents, and finds that the project as approved by Butte County and operated in accordance with these waste discharge requirements will not have a significant effect on water quality.

25. The discharge authorized herein is exempt from the requirements of Title 27 CCR. The exemption, pursuant to Section 20090(b), is based on the following:

    a. The Regional Water Board is issuing these waste discharge requirements;

    b. These waste discharge requirements implement the Basin Plan and allow discharge only in accordance with the Basin Plan; and

    c. The wastewater does not need to be managed according to 22 CCR, Division 4.5, Chapter 11, as a hazardous waste.

26. The Regional Water Board has considered the information in the attached Information Sheet in developing the Findings of this Order. The attached Information Sheet is part of this Order.

27. The Regional Water Board has notified the Discharger and interested agencies and persons of its intent to prescribe waste discharge requirements for this discharge and has provided them with an opportunity for a public hearing and an opportunity to submit their written comments and recommendations.

28. The Regional Water Board, in a public meeting, heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that the Discharger, their agents, successors, and assigns, in order to meet the provisions contained in Division 7 of the California Water Code and regulations adopted thereunder, shall comply with the following:

A. Discharge Prohibitions

1. The discharge of wastes and process wash water to surface waters or surface water drainage courses is prohibited.

2. The discharge of wastes and process wash water in a manner different than specified in Finding Nos. **6, 7, 8, and 9** is prohibited.

3. The use of chemical additives, including flocculants without prior Executive Officer approval in the processing plant and settling ponds is prohibited.

4. The discharge or deposit of waste other than process wash water, settled solids, and allowable chemical additives at this site is prohibited.

5. Discharge of water, except direct precipitation, to a settling pond having a freeboard of two feet or less is prohibited.

6. Discharge of waste classified as “hazardous” as defined in Sections 2521(a) of Title 23, CCR, Section 2510, et seq., or “designated,” as defined in Section 13173 of the CWC, is prohibited.

B. Discharge Specifications

1. Objectionable odors originating at this facility shall not be perceivable beyond the limits of the activity area.

2. All settling ponds shall be managed to prevent breeding of mosquitoes. In particular:

   a. An erosion control program should assure that small coves and irregularities are not created around the perimeter of the water surface.

   b. Weeds shall be minimized through control of water depth, harvesting, or herbicides.

   c. Dead algae, vegetation, and debris shall not accumulate on the water surface.

3. All stockpiled products, wastes, and overburden materials shall be managed to prevent erosion of sediment to surface water drainage courses.

4. Dams, levees, and other earthworks intended to hold or convey water shall be designed and constructed under the direct supervision of and certified by a California Registered Civil Engineer or Engineering Geologist having expertise in the design of such earthworks.

5. All settling ponds shall be designed, constructed, operated and maintained to prevent inundation or washout due to floods with a return period of 100 years.

6. The settling pond system shall have sufficient capacity to accommodate allowable wastewater flow and design seasonal precipitation, and ancillary inflow and infiltration to prevent inundation or washout during the winter months. Design seasonal precipitation shall be based on total annual precipitation using a return period of 100 years, distributed monthly in accordance with historical rainfall patterns.

7. The Discharger shall install and maintain a pond water freeboard gauge in each pond so freeboard can be readily assessed.

8. Freeboard shall never be less than two feet in any pond, as measured vertically from the water surface to the lowest point of overflow.

9. On or about 1 October of each year, available pond storage capacity shall at least equal the volume necessary to comply with Discharge Specification B. 5 and 6.

10. Except for recycled process wash water, land application of excess wash water, and solids removed from the settling ponds, the discharge shall remain within the settling ponds at all times.

11. Land application of excess wash water shall not result in runoff to surface waters or drainage courses.

C. Groundwater Limitations

The discharge, in combination with other sources, shall not cause underlying groundwater to contain waste constituents in concentrations statistically greater than background water quality.

D. Provisions

1. By **1 December 2008**, the Discharger shall submit a copy of its most recent Site Reclamation/Restoration Plan if it differs from the 1981 Site Reclamation/Restoration Plan. As the reclamation plans are updated or revised, the Discharger shall immediately forward such plans to this office.

2. By **1 October 2008**, the Discharger shall submit a Spill Prevention, Control and Countermeasure (SPCC) Plan. The SPCC Plan shall be developed and bear the signature and certification of a registered civil engineer and describe what measures are to be taken in the event of a spill of petroleum either on-site or in

3. The Discharger shall maintain continuous coverage under the Water Quality Order No. 97-03-DWQ (as amended), the *General Permit for Discharges of Storm Water Associated with Industrial Activities*, or, if a Order No. 97-03-DWQ is renewed, the most current version.

4. The Discharger shall comply with Monitoring and Reporting Program No. R5-2008-XXXX, which is part of this Order, and any revisions thereto as ordered by the Executive Officer.

5. The Discharger shall comply with the *Standard Provisions and Reporting Requirements for Waste Discharge Requirements*, dated March 1991, which are incorporated herein and made part of this Order. This attachment and its individual paragraphs are commonly referenced as Standard Provision(s).

6. In the event of any change in control or ownership of land or waste discharge facilities described herein, the Discharger shall notify the succeeding owner or operator of the existence of this Order by letter, a copy of which shall be immediately forwarded to this office. To assume operation under this Order, the succeeding owner or operator must apply in writing to the Executive Officer requesting transfer of the Order. The request must contain the requesting entity's full legal name, the state of incorporation if a corporation, the name and address and telephone number of the persons responsible for contact with the Regional Water Board, and a statement. The statement shall comply with the signatory paragraph of Standard Provision B.3 and state that the proposed owner or operator assumes full responsibility for compliance with this Order. Failure to submit the request shall be considered a discharge without requirements, a violation of the California Water Code. Transfer shall be approved or disapproved by the Executive Officer.

7. The Discharger shall immediately notify the Board by telephone whenever a violation of these WDRs or an adverse condition that may impair water quality occurs as a result of the extraction operations or the discharge; written confirmation shall follow within two (2) weeks.

8. The Discharger shall report promptly to the Board any material change or proposed change in the character, location, or volume of the discharge. The Discharger shall obtain confirmation from the Board that such proposed

modifications are acceptable under the terms of these WDRs. Confirmation or new WDRs shall be obtained before any modifications are implemented. If the Executive Officer does not disapprove the proposed change within 60 days of receiving a written report describing the proposed change, the discharge may proceed in accordance with the proposed modifications. Possible changes under these WDRs include, but are not limited to, the need to expand the settling basins and/or the need to use a flocculating agent in the settling ponds.

9. The Discharger must comply with all conditions of this Order, including timely submittal of technical and monitoring reports as directed by the Executive Officer. Violations may result in enforcement action, including Regional Water Board or court orders requiring corrective action or imposing civil monetary liability, or in revision or rescission of this Order.

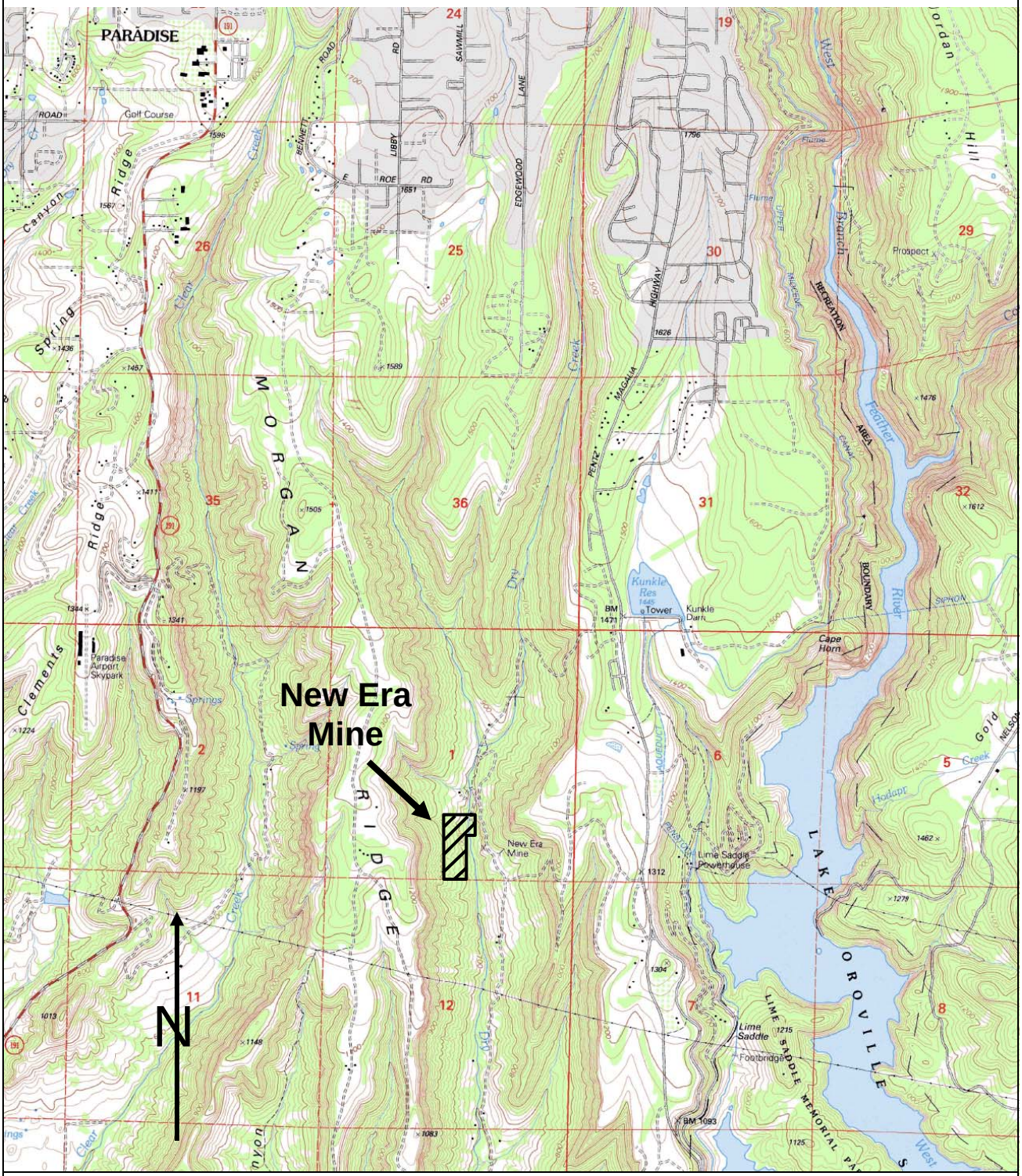
10. A copy of this Order shall be kept at the discharge facility for reference by operating personnel. Key operating personnel shall be familiar with its contents.

11. The Regional Water Board will review this Order periodically and will revise requirements when necessary.

I, PAMELA C. CREEDON, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Central Valley Region, on ******.

_____
PAMELA C. CREEDON, Executive Officer

PVW: sae



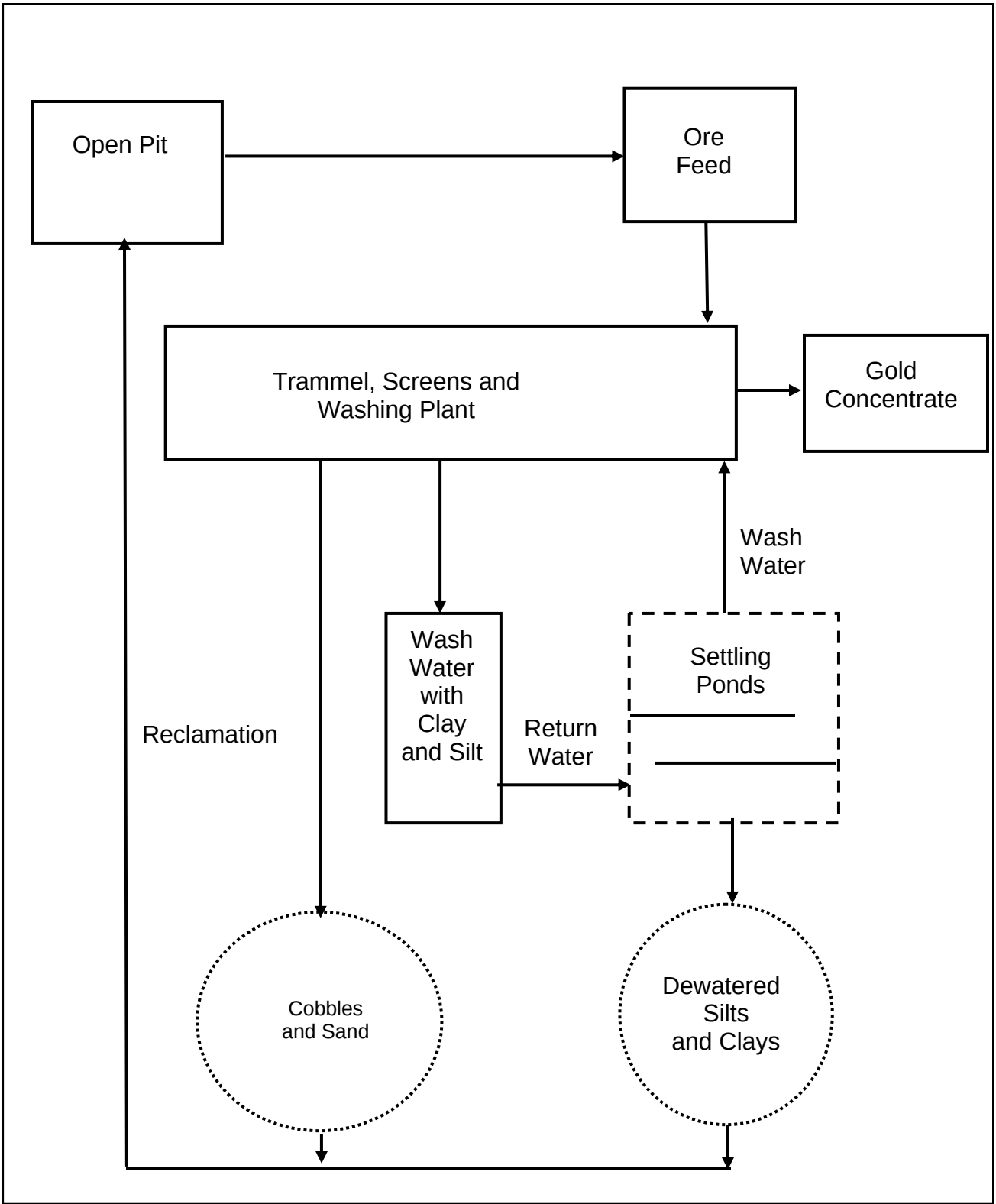
Attachment "A"

Ronald and Betty Logan, North Continent Land & Timber, Inc., and New Era Mining Corp.

New Era Mine

Section 1, T331N, R3E, MDB&M

Butte County



Attachment "B"
New Era Mine
Process Flow Diagram
No Scale

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

MONITORING AND REPORTING PROGRAM NO. R5-2008-XXXX
FOR

RONALD AND BETTY LOGAN, NORTH CONTINENT LAND AND TIMBER COMPANY, AND NEW ERA MINING CORP.
NEW ERA MINE

BUTTE COUNTY

The Discharger shall not implement any changes to this Program unless and until the Regional Water Board or Executive Officer issues a revised Monitoring and Reporting Program.

SETTLING PONDS MONITORING

Discharger's closed-loop wash water treatment and recycling system includes five connected ponds. Freeboard shall be measured in each pond at the frequency listed. The liquid and solids in the first pond receiving the discharge from the processing plant shall be monitored for the constituents and at the frequency described below.

Constituent/Parameter	Units	Sampling Frequency
Freeboard	Feet, 0.1 Feet	Weekly
pH	pH units	Quarterly[1]
Priority Pollutant Metals	ug/l	Quarterly[1]

[1]Quarterly samples shall be obtained in January, April, July, October of each year.

SURFACE WATER MONITORING

The Discharger shall monitor Dry Creek for the constituents and at the frequency listed below. Samples shall be obtained from Dry Creek upstream of mining activities and downstream of any surface water drainages from the property that may flow into Dry Creek.

Constituent/Parameter	Units	Sampling Frequency
Turbidity	NTU	Monthly
pH	pH Units	Quarterly[1]

Specific Conductivity	umhos/cm	Quarterly[1]
Priority Pollutant Metals	ug/l	Quarterly[1]

[1]Quarterly samples shall be obtained in January, April, July, and October of each year.

REPORTING

In reporting the monitoring data, the Discharger shall arrange the data in tabular form so that the date, the constituents, and the concentrations are readily discernible. The data shall be summarized in such a manner to illustrate clearly the compliance with waste discharge requirements.

Monitoring reports shall be submitted to the Regional Water Board by the **first day of the second month** following data collection.

The results of any monitoring done more frequently than required at the locations specified in the Monitoring and Reporting Program shall be reported to the Regional Water Board.

Upon written request of the Regional Water Board, the Discharger shall submit a report to the Regional Water Board by 30 January of each year. The report shall contain both tabular and graphical summaries of the monitoring data obtained during the previous year. In addition, the Discharger shall discuss the compliance record and the corrective actions taken or planned that may be needed to bring the discharge into full compliance with the waste discharge requirements. The Discharger shall implement the above monitoring program as of the date of this Order.

Ordered by:

PAMELA C. CREEDON, Executive Officer
Day, month 2008

PVW: sae

INFORMATION SHEET

ORDER NO. R5-2008-XXXX
RONALD AND BETTY LOGAN, NORTH
CONTINENT LAND & TIMBER, INC., AND
NEW ERA MINING CORP.
NEW ERA MINE
BUTTE COUNTY

The New Era Mine is an existing mine in the Dry Creek drainage, three miles southeast of the town of Paradise, Butte County. The real property is owned by Ronald and Betty Logan. The mine operator is North Continent Land & Timber Inc., and much of the equipment is owned by the New Era Mining Corp. Placer gold ore comprised of ancient stream channel deposits, are mined and passed through a washing and sorting process to recover the gold values. After the gold and other heavy minerals are removed from the ore, the waste is then replaced in the excavation for concurrent reclamation. The gold recovery process relies only on water and gravity to recover the gold. No chemicals are used in the process

The wash water used in the process is high in suspended solids (e.g., silt and clay) and is discharged to settling ponds. Once the solids have settled, the clarified process wash water is conveyed from the settling ponds back to the processing plant for reuse. This is a closed circuit. No wash water is discharged from the ponds to surface waters. Settled material will periodically be removed from the ponds and stockpiled for use in land reclamation. The operator has not proposed using flocculants to enhance the settling process; however, as the source material may vary in quality and there is little operational history, these Waste Discharge Requirements allow for the Discharger to propose the use of a flocculating agent to be approved by the Executive Officer. Food grade flocculating agents have been approved at similar sites.

The settling ponds are immediately adjacent to Dry Creek and the pond levies have been reconstructed to engineered standards to reduce the potential for failure. The ponds shall be operated to prevent overtopping or washout due to the 100 year annual precipitation or the 100 year flood event.

The placer deposits are contained within an ancient stream channel or flood deposit identified as the New Era Formation. The New Era Formation is immediately overlain by the Tuscan Formation. The base of the Tuscan Formation is the source of several springs which supply domestic water supplies to residences in the area. Ground water flowing through the Tuscan Formation surfaces as springs as it encounters the relatively low permeability New Era Formation. A hydrogeologic investigation conducted in 1982 by the mine proponents concluded the mine would not have any impact on the springs or domestic water supplies. A more recent hydrologic report, dated 2 June 2008,

commissioned by opponents of the project concludes the mine *may* have an impact on the quantity of water issuing from the springs, but provided limited data to support this conclusion.

The New Era Mine received a Mining and Reclamation Permit (No. 81-135) from Butte County in 1982. Butte County is the lead agency for the project under the California Environmental Quality Act (CEQA, Public Resources Code Section 21000, et. seq.). The County adopted a Negative Declaration for this project in accordance with CEQA in 1982. As a responsible agency, the Board is bound by the County's determination to adopt the Negative Declaration, unless (1) substantial changes are proposed in the project which will require major revisions of the Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Negative Declaration was adopted, shows new, more significant or more severe effects, additional mitigation measures are feasible, or new mitigation measures or alternatives are available. There is no new information regarding the project or the surrounding environmental conditions. No significant growth or development has occurred in the area. No new endangered species have been identified that could be affected by the mining operations. There is no new information about the discharge that could not have been known when the County adopted the Negative Declaration. A hydrology report dated 2 June, 2008 by Dr. Steve Deverel with Hydrofocus, Inc. concludes the mining operations *may* have an effect on domestic springs that provide water supply. On the other hand, a 1982 engineering report concluded the mine cannot have an impact on domestic springs. The County evaluated this issue when it adopted the Negative Declaration and found that the project might impact groundwater quantity. Even if the County had not considered this, the information in the 2008 hydrology report could have been provided when the County issued the Negative Declaration. A conclusion that there *may* be impacts is not substantial evidence that the mine will have environmental impacts not discussed in the Negative Declaration.

On 5 August 2008, in repose to appeals by local citizens, the Butte County Board of Supervisors determined that no new CEQA document is necessary, the 1982 mining permit remains valid and current mining operations are in accordance with the 1982 Negative Declaration. The Board of Supervisors passed Resolution No. 08-104 confirming these determinations.

The Regional Water Board has reviewed the Negative Declaration and other project documents, and finds that the project as approved by Butte County and operated in accordance with these waste discharge requirements will not have a significant effect on water

quality.

This facility has also obtained the *General Permit for Discharges of Storm Water Associated with Industrial Activities* and is required to implement Best Management Practices as described in their Storm Water Pollution Prevention Plan and conduct certain monitoring of storm water discharges to Dry Creek, which is tributary to Butte Creek and the Sacramento River.

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